

SUMMARY ANALYSIS OF AMENDED BILL

Author: Perez, John A., et al. Analyst: Brian Werking Bill Number: AB 624
 Related Bills: See Prior Analysis Telephone: 845-5103 Amended Date: June 21, 2011
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Community Development Financial Institutions Investments Credit/Extend Repeal Date To January 1, 2017, & Increase Annual Limit Of Qualified Investment To \$20 Million

SUMMARY

This bill would extend the repeal date of the Community Development Financial Institution Investments Credit and increase the annual limit of total qualified investments.

This analysis only addresses provisions of the bill that impact the Franchise Tax Board (FTB).

RECOMMENDATION AND SUPPORTING ARGUMENTS

No position.

SUMMARY OF AMENDMENTS

The June 21, 2011, amendments increase the annual limit of total qualified investments from \$10 million to \$20 million. As a result of the amendments, the "This Bill" discussion provided in the department's analysis of the bill as introduced February 16, 2011, and amended March, 31, 2011, has been revised. The revenue estimate remains unchanged and is included below for convenience. The remainder of that analysis still applies.

EFFECTIVE/OPERATIVE DATE

This bill would be effective and operative January 1, 2012.

ANALYSIS**THIS BILL**

This bill would extend the operative period of the CDFI credit to taxable years beginning on or after January 1, 2012, and before January 1, 2017, and revise the repeal date from December 1, 2012, to December 1, 2017.

Board Position:

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Asst. Legislative Director

Date

Anne Maitland

06/27/11

For Patrice Gau-Johnson

This bill would increase the state law limit on the annual certification of total qualified investments made by all taxpayers to all CDFIs to \$20 million for each calendar year. If the aggregate amount of qualified investments made in any calendar year is less than \$20 million, the difference could be carried over to the next year, and any succeeding calendar year, up through and including 2017.

ECONOMIC IMPACT

Revenue Estimate

This bill would result in the following revenue losses:

Estimated Revenue Impact of AB 624 For Taxable Years Beginning On or After January 1, 2012 Enactment Assumed After June 30, 2011			
2011-12	2012-13	2013-14	2014-15
-\$200,000	-\$420,000	-\$450,000	-\$450,000

This estimate excludes credits taken against insurance tax. This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill.

SUPPORT/OPPOSITION

Support: The California Department of Insurance, the Congress of California Seniors, the Association of Financial Development Corporations, and the Personal Insurance Federation of California.

Opposition: None provided.

LEGISLATIVE STAFF CONTACT

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